

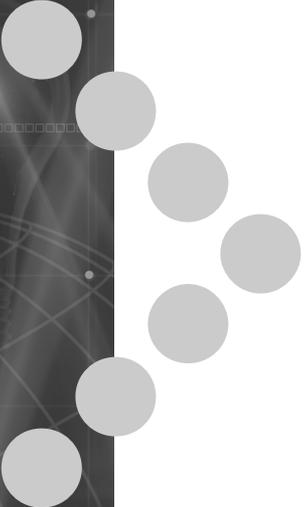


Knowledge to Shape Your Future

Global Capabilities and Solutions

Electric / Gas / Water





Energy Information Technology:

Solutions to Key Industry and Regulatory Challenges

Doug Staker 

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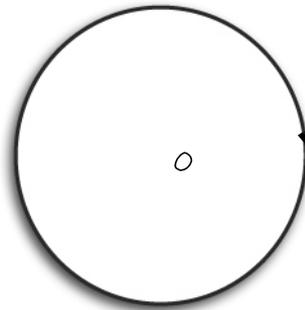
June 13, 2005



History . . .

Itron Technology

- > Over 28 Years in Business
- > Over 3,000 Customers Worldwide
- > Over 27 Million AMR Modules Sold
- > Over 250 Million Meters Read with Itron Technology
- > Over 10 million Solid state meters worldwide



2004 Acquired Schlumberger Electricity Metering

2002 – 2003 Acquired technology companies for energy data management, load forecasting, T&D design and workforce management

Early 1990's – Introduced Automatic Meter Reading (AMR) solutions to U.S. market

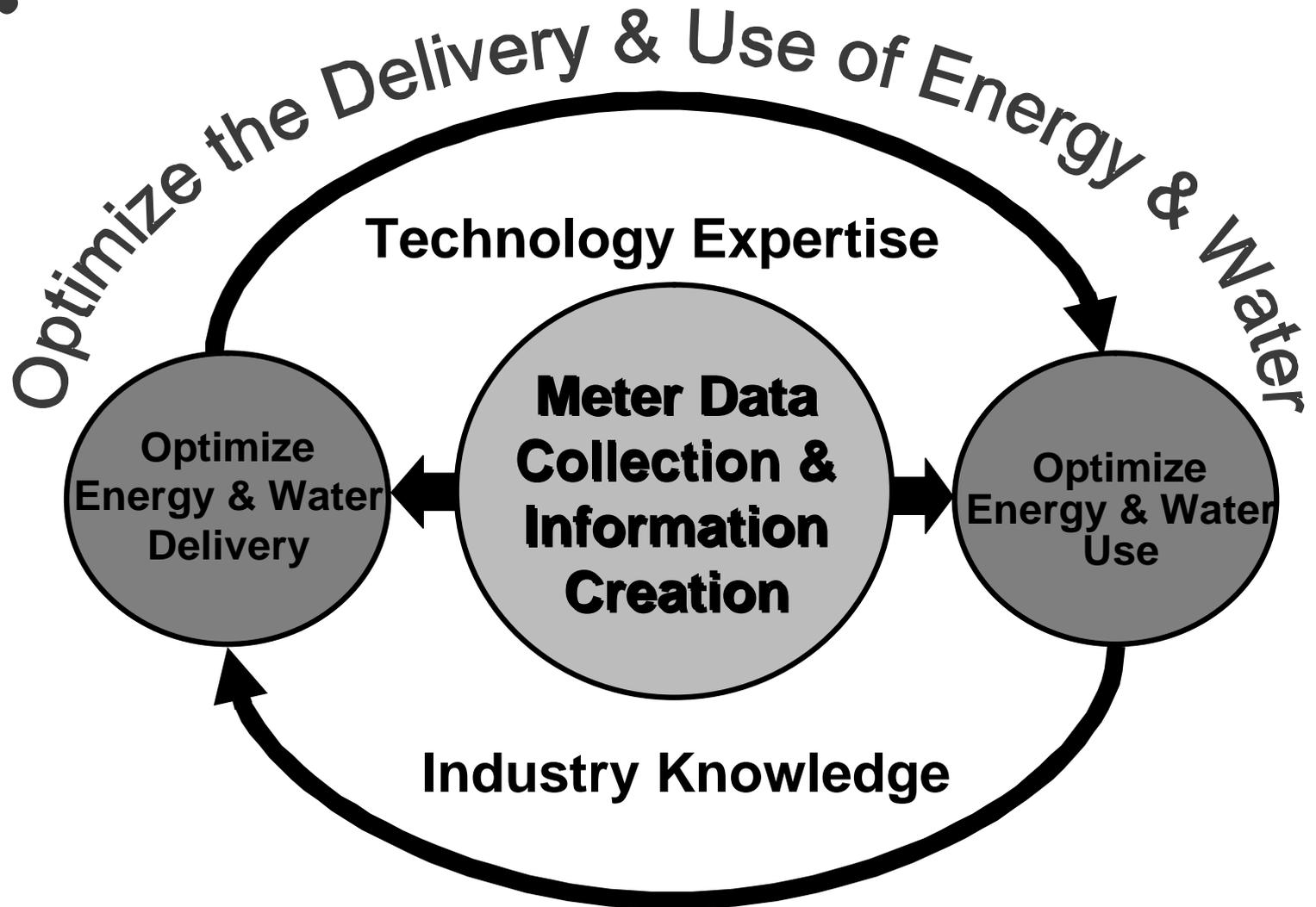
Early 1980's – Introduced handheld meter reading systems to U.S. market and expanded to international markets (late 1980's)

Founded in 1977 in Spokane by utility executives and engineers

2004 Revenue: Over \$399 million (USD)



Vision...





Analogy: from cash registers to scanners. . .

Original: cash registers were simple devices for manual input

Reasons for new technology: improve efficiency and data accuracy

Additional value from scanners:

- > Supply chain management
- > Inventory management
- > Customer relationship management



Result: Business process transformation through enterprise-wide application of point-of-purchase data



Analogy: Cell phones as a type of meter . . .

- > Accurately captures point-of-purchase data
- > Instantaneous data collection & customer connection
- > Sophisticated software to calculate bills and track demand
- > Time-sensitive pricing
- > Technology-enabled business model



Question: Does your wireless provider send a person to your office or home every month to read your cell phone?



Perspective. . .

The reality...

Compared to some other industries, the energy industry operates with less knowledge of how, when, and where customers use their product.

The vision...

New technologies for collecting, managing and analyzing energy usage data create opportunities to improve efficiency and meet industry and regulatory objectives.





What can we learn?

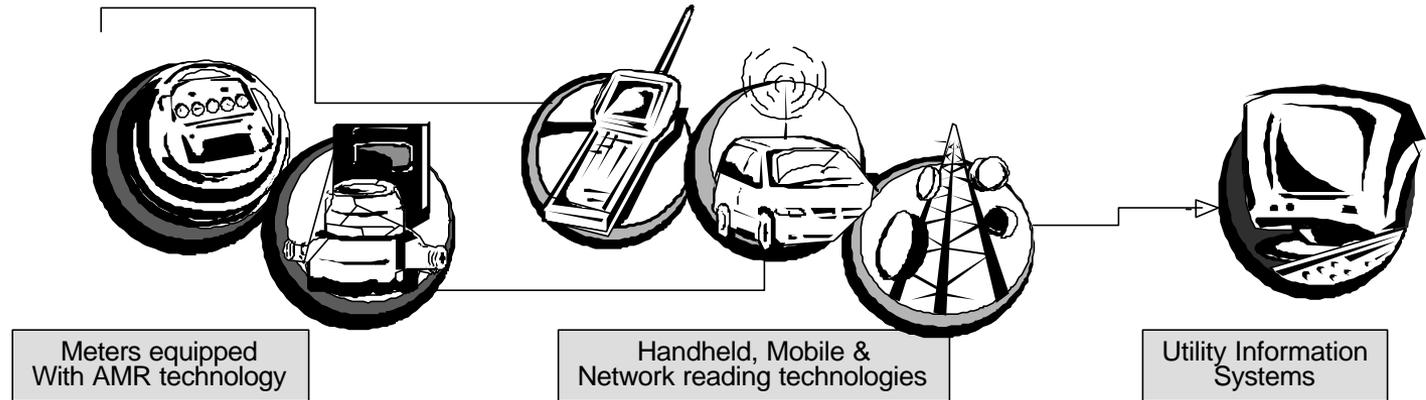
Energy usage data represents an untapped source of value to meet key issues:

- > Reliability
- > Customer service
- > Cost control
- > Theft and loss
- > Delivery system efficiency
- > Retail competition and liberalisation of energy markets
- > Resource conservation/environmental protection
- > Public service



Applying meter data. . .

Residential, commercial, industrial...Electric, Gas, Water



- > Meter data collection
- > Data storage and retrieval
- > Billing and settlement
- > Internet data presentment
- > Load profiling
- > Forecasting
- > Distribution asset optimization



Types of Technology

Wireless (RF)

- > Proprietary- Most AMR technology
- > Public- GPRS/Cellular-Emerging in commercial metering

Benefits

Fast and frequent data retrieval

Parallel processing

Restrains

100% Coverage

Licensed or UnLicensed





Types of Technology

Wired

- > Telephone PSTN- Used Mainly for C&I Metering
- > PLC- Power Line Carrier

Emerging

- > BPL- Broadband over Power line

Benefits

Easy to connect to all point on Electric system

Restrains

Bandwidth/ Perfomance

Cost

No connection to Water & Gas





Envisioning the future. . .

The residential customer

- > Timely, accurate billing
- > Reduction of energy theft
- > Enable customer choices
 - Time-sensitive pricing
 - Demand response to manage peak load





Envisioning the future. . .

The commercial and industrial customer

- > Improved reliability and power quality
- > Customized tariff and billing options
- > Proactive energy cost management
- > Enable customer choices to reduce rates
 - Demand response
 - Time-sensitive pricing



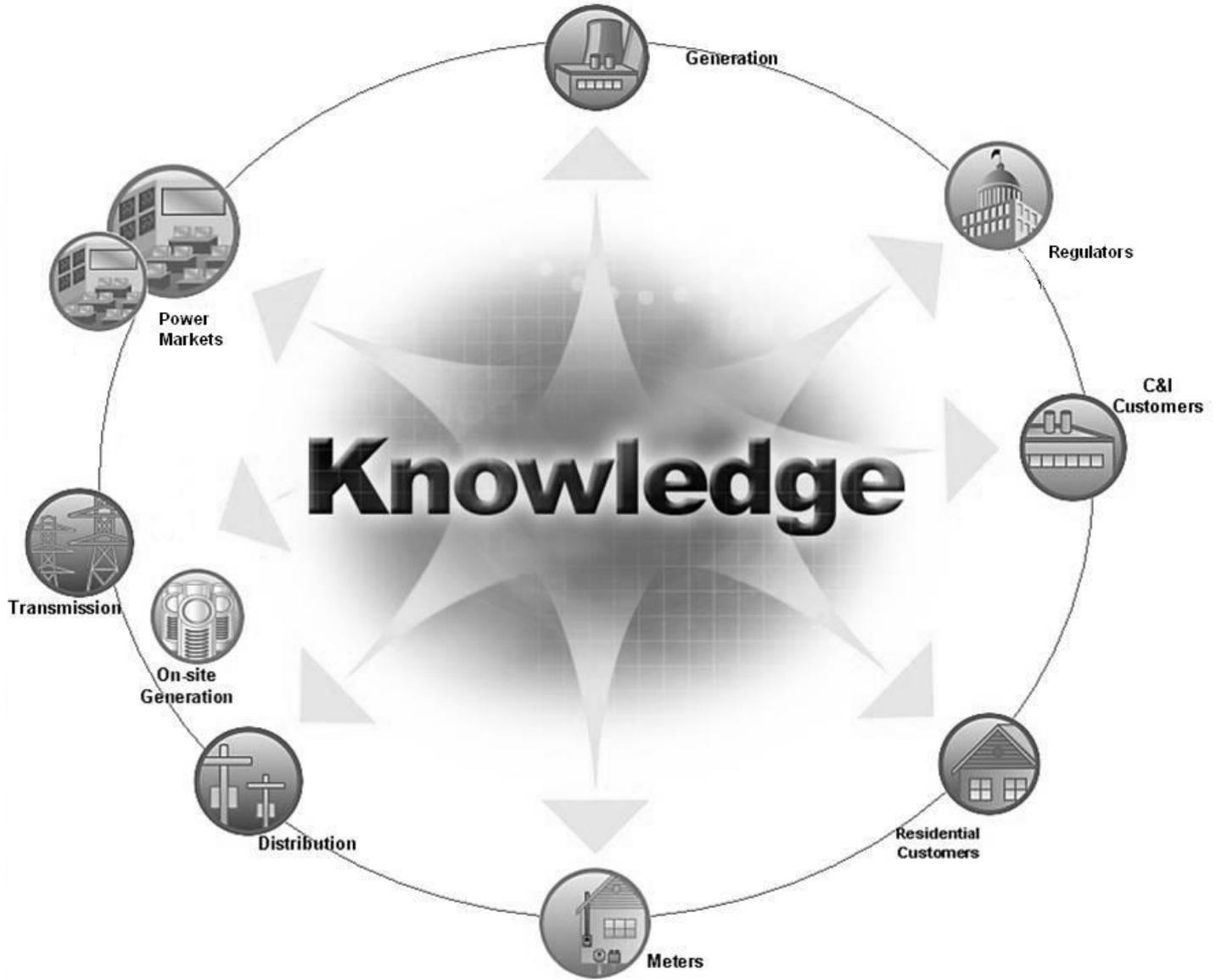


Envisioning the future. . .

The utility of the future

- > Data is shared across organizational boundaries
- > Regulatory and compliance reporting improved
- > Reliability, customer service, costs are optimized
- > Utilities meet needs of all parties
 - Customers
 - Regulators
 - Stakeholders







The opportunity for regulators. . .

- > Understand how energy information technology can help achieve regulatory objectives
- > Educate consumers
- > Shape policy in a manner that provides greater clarity and incentive for energy providers to make the investments needed to achieve these critical, common objectives





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